

## Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 01193 061318Z POSS DUPE  
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 OPIC-06 AID-05 L-03 COME-00  
TRSE-00 /033 W

-----061343Z 048860 /46

P 061220Z MAR 77

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC PRIORITY 7423

UNCLAS KUWAIT 1193

PASS OPIC

FOR EB ASST SEC KATZ FROM AMBASSADOR

E.O. 11652: N/A

TAGS: EFIN KU

SUBJECT: OPIC AGREEMENT WITH KUWAIT

REF: (A) 76 STATE 298611, (B) 76 KUWAIT 5004.

1. RAY A JOHNSON, BOARD CHAIRMAN OF JOHNSON BROS. CORPORATION, A MINNESOTA CONSTRUCTION FIRM, CALLED AT EMBASSY RECENTLY TO COMPLAIN ABOUT LACK OF FORWARD MOTION IN APPLYING OPIC'S PERFORMANCE GUARANTEE INSURANCE PROGRAM, PUBLICIZED LAST FALL, TO KUWAIT. JOHNSON NOTED THAT HIS COMPANY HAS OBTAINED TENDER DOCUMENTS AND WISHES TO BID ON FORST STAGE OF FIRST PHASE OF \$800 MILLION PLUS KUWAIT MOTORWAYS PROJECT, BUT IS TYMIED BECAUSE WITHOUT OPIC COVERAGE, COMPANY WOULD BE FORCED TO DRAW DOWN UNACCEPTABLE AMOUNT OF CREDIT WITH ITS BANKS IN ORDER TO POST PERFORMANCE BOND. THIS IS COMMON PROBLEM DISCOURAGEING OTHERWISE COMPETITIVE US FIRMS FROM BIDDING ON LUCRATIVE CONSTRUCTION CONTRACTS HERE.

2. WE TOLD JOHNSON FRANKLY THAT WE WERE JUST AS FRUSTRATED AS HE, SINCE UNDERSECRETARY OF MINISTRY OF PUBLIC WORKS HAS  
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ASKED US ON NUMEROUS OCCASIONS SINCE LAST OCTOBER ABOUT OPIC PERFORMANCE GUARANTEE INSURANCE PROGRAM. ALL THAT WE HAVE BEEN ABLE TO SAY IS THAT WE ARE AWAITING A DRAFT AGREEMENT FROM WASHINGTON.

3. EMBASSY WISHES TO REITERATE POINT THAT ANY OPIC COVERAGE ARRANGED FOR KUWAIT WOULD BE MORE TO U.S. THAN TO

KUWAITI ADVANTAGE, SINCE IT WOULD MAKE U.S. FIRMS MORE COMPETITIVE. ALSO, WE VIEW PROGRAM AS LIMITED TO PERFORMANCE GUARANTEE/POLITICAL RISK INSURANCE, NOT AS A MORE GENERAL ONE TO COVER INVESTMENT.

4. ACTION REQUESTED: CLOSING DATE FOR BIDS FOR FIRST STAGE OF PHASE ONE OF MOTORWAYS PROJECT IS MARCH 29. EMBASSY RECOMMENDS EARLY WASHINGTON APPROVAL OF LIMITED OPIC PROGRAM FOR KUWAIT AND REQUESTS THAT DRAFT AGREEMENT BE POUCHED ASAP WITH AUTHORIZATION FOR NEGOTIATION WITH GOK. OPTIMAL SITUATION WOULD BE TO HAVE ALL DONE PRIOR TO MARCH 29; HOWEVER, THERE WILL BE ADDITIONAL PHASES OF MOTORWAY PROJECT COMING UP FOR BID SHORTLY. THE MAIN THING IS TO GET SOME FORWARD MOTION ON LONG-STALLED QUESTION OF OPIC COVERAGE. MAESTRONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, INVESTMENT GUARANTEES, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 06-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 76 STATE 298611, 76 KUWAIT 5004  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 3192047  
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**Status:** NATIVE  
**Subject:** OPIC AGREEMENT WITH KUWAIT  
**TAGS:** EFIN, KU, US, OPIC  
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**Review Markings:**  
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